ATTACHMENT D

July 8, 2016

To the Honorable Senate and House of Representatives:

 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 12 of House Bill No. 4450, “An Act Making Appropriations for the Fiscal Year 2017 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

Section 12 has the admirable goal of improving the third-party representation of low-income taxpayers. While I support this purpose, unfortunately, our limited revenues make the start of the new grant program that was proposed in Section 12 impracticable.

I have previously proposed a non-budgetary way to improve third-party representation of taxpayers. This language would expressly authorize the Department of Revenue to register third-party preparers and require those preparers to be identified on a tax return they file on behalf of a taxpayer. In light of our limited revenues, this approach should be reconsidered.

For these reasons, I recommend that Section 12 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 12. Section 5 of chapter 62C, as so appearing, is hereby amended by adding the following paragraph:-

The commissioner may adopt filing procedures under which, to the extent required by the commissioner, any third party preparing a tax return (1) shall first register in a manner prescribed by the commissioner; and (2) shall be identified on the return in a manner prescribed by the commissioner.

Respectfully submitted,